



March 10, 2015

Chairman Heise and members of the House Criminal Justice Committee:

I am writing to you today on behalf of the American Consumer Institute, a nonprofit educational and research institute, to share with you my thoughts on HB 4015 and its benefits to Michigan consumers. HB 4015, will repeal an outdated and misguided Michigan law that prohibits the resale of live event tickets at market value.

The face value of a live entertainment or sports ticket, although set by the original seller, has no bearing on the economic value to any subsequent buyer or seller. By capping any secondary sale of an event ticket to the original asking price, the state is interfering with a transaction that is mutually beneficial to both buyer and seller. This means that consumers are made worse off by prohibiting the secondary market from functioning properly.

Michigan is one of the very few states to impose a cap on the resale price of tickets and that cap has no clear consumer benefit. Tickets are still offered for sale on the streets by scalpers and are available from a number of "authorized" websites that are able to sell tickets legally for whatever price the market sets, with the addition of transaction fees. The result is that consumers are drawn to engage in illegal transactions with scalpers in a quasi-black market, or are left with no choice but to use one of the aforementioned "authorized" resellers.

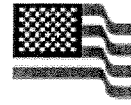
Opponents of HB 4015 attest that the law is the only thing protecting consumers from unscrupulous scalpers using bots to buy large blocks of tickets and resell them at inflated prices; or from brokers selling unsuspecting consumers fake tickets. The truth of the matter is that the current law has nothing to do with stopping bots or prosecuting resellers that are defrauding consumers. ACI would gladly support consumer protection laws that instituted stiff penalties for bots use and prosecuted fraud to the full extent of the law.

By allowing fans to resell unused tickets at market value without fear of prosecution and opening up a resale market that currently exists in the shadows, Michigan consumers can enjoy the full benefits of a fair and open secondary market.

The legislature has made great progress in recent years in eliminating burdensome regulations and government red tape. We encourage lawmakers to continue along that path. Passage of HB 4015 would be a significant benefit to the citizens of Michigan.

Sincerely,

Steve Pociask, President
American Consumer Institute
Center for Citizen Research
1701 Pennsylvania Ave., NW, Suite 300
Washington, DC 20006



THE
AMERICAN
CONSERVATIVE
UNION

March 10, 2015

Dear Chairman Heise and members of the House Criminal Justice Committee:

The American Conservative Union (ACU) writes to you today in support of Michigan House Bill 4015. Last year HB 5108 overwhelmingly passed the Michigan House, but was killed in the lame duck Senate. If passed this year, HB 4015 would restore free market principles and eliminate crony capitalism that has enabled a few "approved" resale websites to monopolize the secondary ticket market to Michigan events.

ACU is the oldest and largest grassroots conservative organization in the nation. Our members are concerned with liberty, personal responsibility, traditional values, and strong national defense.

Free market capitalism is one of the core ideals of our country. As such, when fans buy tickets to live entertainment or sporting events, they have the right to use, give away, and sell their tickets at whatever price that market determines. This principle applies to wide range of items, from houses and cars to clothing and electronics. Live event tickets should not be exempt from this basic free market concept.

However, Michigan is one of the few states that exempts event tickets from the principles of the free market. The result is a secondary market where fans wanting to purchase tickets to in-demand or sold-out events are left to choose between approved resale websites, including StubHub and Ticketmaster that charge fees to both the buyer and seller, or purchasing tickets illegally on the black market from scalpers selling tickets in the alleyways and shadows around event venues.

By eliminating caps on ticket resale prices, House Bill 4015 will allow willing buyers and sellers to enter into legal transactions for the sale of event tickets at fair market value. It will allow for greater competition on the secondary market and will restore the freedom of regular fans to resell unused or extra tickets at whatever price the market, not the artists, team or venue, dictates.

We urge you to support HB 4015. Michigan sports and music fans deserve the right to resell their ticket like anything else.

Sincerely,

Larry Hart
Director of Government Relations
The American Conservative Union



March 10, 2015

Dear Representative Heise:

I am writing today to express the Institute for Liberty's strong support for HB 4015. At Institute for Liberty we fight for individual-rights, free-markets and against crony-capitalism wherever it may exist and regardless if it comes from the right or the left.

As a leading voice for free-markets, IFL believes that Michigan's 83-year-old law banning fans from reselling tickets for more than face value, is unfair and runs afoul of free-market principles. Last year's HB 5108 passed the House with bipartisan support. It would have done away with this antiquated law and allow the market, not big ticket companies, to determine ticket prices. This year's HB 4015 will do the same.

Due to the current law containing a loophole for resellers that have the venue's permission, big ticket companies like Ticketmaster and StubHub have attained a state sanctioned monopoly on market priced tickets. Ticketmaster enjoys this status for the Redwings, Pistons, and Lions, and StubHub for the Tigers. This is a textbook example of crony-capitalism where the government has stepped in and picked winners and losers in the ticket resale market.

If Michigan expects to compete with other states it must pass HB 4015 and create a fair, vibrant, and open secondary market. Fans should have the right to sell tickets on the secondary market. Government should have no reason to mandate what an individual can do with their personal property.

I urge you to bring HB 4015 to a vote, give it your support, and stand up for the free-market and fans in Michigan.

Sincerely,

Andrew Langer, President
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